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**Building The
Wireless Future™**

CTIA

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Randall S. Coleman
Vice President for
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May 27, 1994

RECEIVED

MAY 27 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

Re: *Ex Parte* Filing
GEN Docket No. 90-314
Personal Communications Services

Dear Mr. Caton:

On May 27, 1994, a copy of the attached letter from Thomas E. Wheeler, President and CEO of the Cellular Telecommunications Industry Association (CTIA), was delivered to Chairman Reed E. Hundt.

Pursuant to Section 1.1206(a)(1) of the Commission's Rules, an original and one copy of this letter and attachment are being filed with your office.

If there are any questions in this regard, please contact the undersigned.

Sincerely yours,

Randall S. Coleman

Attachment

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Thomas E. Wheeler
President / CEO

Hon. Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W., Room 814
Washington, DC 20554

Re: GEN Docket No. 90-314
Personal Communications Services

Dear Mr. Chairman:

On behalf of the Cellular Telecommunications Industry Association (CTIA), I wish to comment on the letter filed May 25, 1994 by Motorola Inc. concerning the spectrum band plan for broadband personal communications services (PCS).

Motorola proposes a new band plan which would allocate 120 MHz for licensed PCS, the same amount of spectrum provided under the Commission's existing broadband PCS rules. However, the Motorola proposal would locate all 120 megahertz (MHz) between 1850 MHz and 1990 MHz. The extra ten MHz between those points would be allocated to unlicensed PCS (1910-1920 MHz to unlicensed voice, 1920-1930 to unlicensed data).

The manner in which Motorola reshuffles the spectrum is a creative solution to a vexing spectrum allocation problem. We agree that the grouping of all the new wireless services in the lower band is better for consumers and for competition.

The reshuffling, however, is only a partial solution to the spectrum allocation challenge faced by the Commission. The remaining issues are the size of those spectrum blocks and the eligibility to use the spectrum.

Letter to Hon. Reed Hundt
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CTIA, in its comments, has proposed that the Commission use a "building block" approach and issue four licenses of 20 MHz each and four licenses of 10MHz each. This approach would be possible under the Motorola proposal and we urge the Commission to marry the Motorola and CTIA proposals.

We understand that MCI has embraced the idea of larger spectrum blocks, specifically, three 30MHz and three 10MHz blocks. Not only would this reduce by two per market the number of opportunities to participate in the auction, it also moves from the kind of "building block" approach proposed by CTIA to unnecessarily large and spectrally inefficient allocations. If a wireless operator requires more than 20MHz, multiple licenses can be acquired. Building up will maximize spectrum efficiency and provide competitive opportunities far better than will an overly large spectrum allocation. It is unrealistic to expect a licensee to discard or spinoff fallow spectrum, thus the results of overly large blocks will be either the warehousing of spectrum or its inefficient use, or both.

These large 30 MHz blocks become an even bigger competitive problem when they are combined with MTA license areas. A 30 MHz MTA license not only contains more spectrum than the 25 MHz available to cellular carriers (and all digital spectrum at that), it also covers a geographic area larger than cellular license areas and, typically, larger than that aggregated by cellular operators.

Mr. Chairman, the hour of decision is drawing near; it is time for the positioning for a "fair advantage" to close. Ultimately, you and your colleagues will have to decide the spectrum size issue. We would respectfully suggest that the key issue is parity. The Motorola proposal creates technical parity within the PCS spectrum; that same parity

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concept should also extend to the allocation of spectrum. Regardless of how the spectrum is sliced, at the end of the day there will be multiple entities competing ferociously for consumer loyalty. The government should not advantage one or another of these by disparate spectrum eligibility. A basic rule of spectrum parity should be that all competitors have access to equivalent amounts of spectrum. A corollary to this is that competitors must be able to fully participate in both the auction and aftermarket up to that limit.

Sincerely,

Thomas Wheeler (m)

Thomas E. Wheeler

cc: Hon. James H. Quello
Hon. Andrew C. Barrett
Hon. Rachelle B. Chong
Hon. Susan Ness
Mr. Michael D. Kennedy
Ms. Karen Brinkmann
Mr. Donald Gips
Mr. Rudolfo M. Baca
Mr. Byron F. Marchant
Ms. Jane E. Mago
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